

LOUISIANA TECH UNIVERSITY
INVITATION TO BID
FOR

NATURAL GAS DELIVERED TO UNIVERSITY POWER PLANT

PROPOSAL NO:	50012-145-10	MAIL TO:	Louisiana Tech University PO Box 3157 TS Ruston, LA 71272
OPENING DATE:	June 2, 2010		OR
TIME:	2:00 P.M.	DELIVER TO:	Purchasing Office Room 408, Keeny Hall

Proposals will be received up to **2:00 P.M., June 2, 2010** by Louisiana Tech University. Proposals received after the specified hour and date will be rejected. At the specified time, the proposals will be publicly opened and read aloud. All proposals must be delivered to the Purchasing Office, 408 Keeny Hall, Ruston, LA by the specified date and time.

The bidder must submit his proposal on the form provided with all blanks filled and signed in ink and must be submitted in a sealed envelope with the bid number and date due conspicuously posted on the front of the envelope. An envelope has been provided for your convenience.

PURPOSE OF SOLICITATION

Louisiana Tech University wishes to solicit bid responses to provide Natural Gas Supply Services, delivered to the Louisiana Tech University Power plant as per the attached requirements, exhibits, and contract.

For questions regarding this ITB contact Sam Wallace at 318-257-2769.

BIDDER RESPONSE

See attached Exhibit ^E~~F~~ Bid Response Sheet.

BIDDER INSTRUCTIONS AND CONDITIONS

The undersigned certifies that the bidder carefully examined the instructions, policies and procedures and agrees to comply with same.

The bidder understands that the University reserves the right to reject any or all bids and to request any additional information it deems necessary to supplement the bid and/or to reach agreement.

The bidder agrees that this bid shall be good and may not be withdrawn for a period of thirty (30) days after opening.

It is understood that the bid becomes a part of the Contract Documents upon signing of the contract, and failing to comply with any part of this bid will be taken as failure to comply and will be cause for cancellation of the contract.

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Bid No: 50012-145-10

Signature Authority: In accordance with L.R.S. 39:1594 (Act 121), the person signing the bid must be:

1. A current corporate officer, partnership member or other individual specifically authorized to submit a bid as reflected in the appropriate records on file with the Secretary of State; or
2. An individual authorized to bind the vendor as reflected by an accompanying corporate resolution, certificate or affidavit; or
3. An individual listed on the State of Louisiana Bidder's Application as authorized to execute bid.

By signing the bid, the bidder certifies compliance with the above.

See Exhibit ^E~~J~~ Bid Response Sheet for signature page.

Table of Exhibits:

Exhibit A	Projected MMBTU Consumption 10-1-10 through 9-30-11
Exhibit B	Base Load Volume
Exhibit C	Excerpt of Gas Future Pricing Report
Exhibit D	Example of Consumption and Pricing
Exhibit E	Bid Response Sheet
Exhibit F	Contract to be Awarded
Exhibit G	Example of request to lock-in

Louisiana Tech University operates a co-generation power plant that supplies electricity and steam for heating and cooling to approximately 2,200,000 square feet of academic, research and dormitory space.

The university is requesting bids for the purchase of Natural Gas delivered to the University Power Plant. Under normal operating conditions, Louisiana Tech operates a Solar 70 gas turbine with a heat recovery boiler. The gas pressure required at the gas turbine is 350 PSIG and low pressure gas is used for supplemental firing at the heat recovery boiler at 40 PSIG. At high steam demand one of two additional boilers may be brought on line requiring natural gas at 40PSIG.

Should the gas turbine/generator be off-line one or two boilers may be brought on-line to supply steam for campus heating and cooling.

There are currently two gas lines that can feed the Power Plant. CenterPoint energy has a line that can deliver gas at 40 PSIG. This gas line can supply fuel to the heat recovery boiler and to the additional boiler(s). Regency Gas has a pipeline that can deliver gas at 350 PSIG. The University has no objection to bidder at bidder's expense installing a new gas line to the Power Plant.

The University has natural gas regulators in place to reduce 350 PSIG to the appropriate pressure for the supplemental firing in the heat recovery boiler or the two steam boilers. The University does NOT have the ability to increase or raise the pressure of gas to 350 PSIG. Should a bidder deliver gas for high pressure through the CenterPoint line or other new line at lower pressure, bidder will be required to place into service all equipment necessary to increase pressure of the gas to 350 psig. Bidder will also be responsible for maintenance and energy cost for this equipment.

The University is requesting bids for the purchase of high pressure gas for consumption at the power plant. Exhibit B is the expected minimum purchase quantity for the campus. The price of gas delivered to the campus will be based upon the first-of-the-month pricing as published in Platt's Inside FERC Gas Market Report for South Louisiana deliveries into Henry Hub plus an add-on cost provided by the bidders on the attached bid form. No other fees, transaction cost or charges may be added to the cost of gas.

The University has the option to lock-in a portion of gas purchases for any combination of months remaining in the contract term by placing an offer to lock-in at a NYMEX Henry Hub trigger price specified by Louisiana Tech University. If the Henry Hub price on the NYMEX meets the trigger price within 5 working days, the lock-in prices will established for the months and quantities specified. The cost of gas locked-in will be the offer cost plus an add-on cost provided by the bidders on the attached bid form. No other fees, transaction cost or charges may be added to the cost of gas. Any volume of gas consumed and not locked-in will be priced using the first-of-the-month pricing described above.

The bid will allow a one year contract with the possibility of two one-year renewals.

Louisiana Tech makes no guarantee as to volume to be purchased. The successful Bidder must have in place capacity to supply 2,000 MMBTU of high pressure gas. Bidder is responsible, without additional compensation for supplying meters and any other equipment necessary to provide gas service at the appropriate pressure

Gas Standards

- Gas delivered shall meet the tariff requirements of the delivery pipeline.
- Natural gas supplied under this contract shall be odorized in accordance with industry standards and regulations of the Louisiana Department of Natural Resources.
- The billing unit for the Natural Gas purchased shall be per MMBTU and the Heating Value of the gas delivered will be determined by the Standard Gas Chromatograph Method as defined by the American Gas Association. Gas samples for this procedure shall be collected daily on the Louisiana Tech side of the base metering station at the Tech Power Plant.

The composite of the daily gas samples for the monthly billing period shall be tested for BTU content by an independent testing laboratory and the test results shall be used for actual billing calculations. Copies of the test results shall accompany the monthly billings. Contractor shall bear all costs for these tests.

Measurement and measurement equipment shall meet all conditions and specifications as required by AGA Gas Measurement Report No. 3 with any subsequent amendments or revisions to which are mutually agreed to.

Exhibit A – Expected consumption of gas for turbine for period October 1, 2010 through September 30, 2011. The expected gas consumption is based upon three year average of high pressure gas for gas turbine without consumption for duct burners or auxiliary boilers.

	AVG
Oct	50,322
Nov	44,145
Dec	44,848
Jan	45,764
Feb	42,255
Mar	45,731
Apr	46,574
May	42,694
Jun	47,900
Jul	50,398
Aug	49,103
Sep	50,305
Total	560,039

Exhibit B –Base Load volume of high pressure gas for period October 1, 2010 through September 30, 2011.

	Base Load
	Volume
Oct	40,000
Nov	35,000
Dec	35,000
Jan	36,000
Feb	33,000
Mar	36,000
Apr	37,000
May	34,000
Jun	38,000
Jul	40,000
Aug	39,000
Sep	40,000
Total	443,000

EXHIBIT C – Example of Henry Hub Futures

NYMEX Henry Hub gas futures contract, Mar 22

	Settlement	High	Low	+/-	Volume
Apr 2010	4.079	4.168	4.036	-9.0	69957
May 2010	4.145	4.231	4.093	-8.3	43343
Jun 2010	4.211	4.284	4.161	-8.5	12308
Jul 2010	4.304	4.373	4.255	-8.3	9564
Aug 2010	4.379	4.438	4.337	-8.3	4296
Sep 2010	4.417	4.485	4.378	-8.4	4497
Oct 2010	4.529	4.605	4.496	-9.2	11322
Nov 2010	4.916	4.976	4.896	-10.0	2938
Dec 2010	5.363	5.435	5.352	-10.2	2867
Jan 2011	5.590	5.668	5.573	-10.5	8210
Feb 2011	5.560	5.623	5.550	-11.0	1151
Mar 2011	5.450	5.523	5.435	-11.0	3296
Apr 2011	5.187	5.249	5.166	-11.0	2818
May 2011	5.187	5.228	5.166	-11.0	914
Jun 2011	5.232	5.225	5.210	-11.0	112
Jul 2011	5.298	5.352	5.285	-11.2	40
Aug 2011	5.351	5.360	5.334	-11.2	37
Sep 2011	5.386	5.400	5.365	-11.2	28
Oct 2011	5.487	5.525	5.460	-11.3	1502
Nov 2011	5.757	5.825	5.735	-11.8	42
Dec 2011	6.067	6.134	6.034	-11.6	57
Jan 2012	6.277	6.345	6.255	-11.8	199
Feb 2012	6.238	6.301	6.228	-11.8	12
Mar 2012	6.054	6.130	6.049	-11.8	12
Apr 2012	5.619	5.600	5.600	-12.3	6
May 2012	5.609	5.640	5.609	-12.3	1
Jun 2012	5.654	5.654	5.654	-12.3	0
Jul 2012	5.711	5.711	5.711	-12.4	0
Aug 2012	5.761	5.761	5.761	-12.4	0
Sep 2012	5.796	5.796	5.796	-12.4	0
Oct 2012	5.901	5.960	5.901	-12.4	1
Nov 2012	6.146	6.146	6.146	-12.4	0
Dec 2012	6.426	6.500	6.426	-12.4	1
Jan 2013	6.631	6.631	6.631	-12.4	1
Feb 2013	6.596	5.796	5.796	-12.4	0
Mar 2013	6.386	6.386	6.386	-12.4	0

Contract data for Friday

Volume of contracts traded: 192,733

Front-months open interest:

APR, 70,669 ; MAY, 225,902; JUN, 54,775

Total open interest: 844,965

Exhibit E

Bid Response Sheet

Bids for Power Plant Natural Gas Purchases
Bid Opening Date and Time: 2:00 p.m. on _____, 2010

Delivered High Pressure Gas for Locked-In price based upon on NYMEX Henry Hub price based upon offer hitting a trigger price plus \$_____ per MMBTU.

Delivered High Pressure Gas for gas consumed other than the quantity locked-in based upon the first-of-the-month pricing as published in Platt's Inside FERC Gas Market Report for South Louisiana deliveries into Henry Hub for the month consumed plus \$_____ per MMBTU.

Company Name: _____

Printed Officer Name: _____

Signature: _____

Mailing Address: _____

Telephone Number: _____

Fax Number: _____

Email: _____

EXHIBIT F: - Contract to be awarded.

STATE OF LOUISIANA
PARISH OF LINCOLN

**CONTRACT FOR NATURAL GAS FUEL
FOR LOUISIANA TECH UNIVERSITY POWER PLANT**

Be it known, that on this _____ day of _____, 2010, that Louisiana Tech University, (hereinafter sometimes referred to as the "University") and _____, (hereinafter sometimes referred to as "Contractor") do hereby enter into contract under the following terms and conditions.

DEFINITIONS

- "Business Day" means any day except Saturday, Sunday or Federal Reserve Bank holidays.
- "Contract" shall mean the legally-binding relationship established by (i) any and all binding Transaction Confirmations and (ii) any and all transactions that the parties have entered into by telephone, but that have not been confirmed in a binding Transaction Confirmation.
- "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, a performance bond, guaranty, or other good and sufficient security of a continuing nature.

SCOPE OF CONTRACT

Pursuant to responses and evaluations to Louisiana Tech University Bid referenced as _____ to provide Natural Gas Supply Services, Contractor will deliver to Louisiana Tech University Power Plant Natural Gas as described herein. Per bid response Contractor will provide 100% firm (uninterruptible basis) natural gas requirements for the Louisiana Tech University Co-generation power plant throughout the term of the agreement. Contractor will secure and retain pipeline capacity adequate to supply daily gas requirements. No minimum volume of consumption is guaranteed, however, Contractor must have in place capacity to supply 2,000 MMBTU each day. Contractor is responsible, without additional compensation for supplying meters and any other equipment necessary to provide gas service. Contractor must supply gas at 350 PSIG meeting the following requirements:

- Gas delivered shall meet the tariff requirements of the delivery pipeline.

- Natural gas supplied under this contract shall be odorized in accordance with industry standards and regulations of the Louisiana Department of Natural Resources.
- The billing unit for the Natural Gas purchased shall be per MMBTU and the Heating Value of the gas delivered will be determined by the Standard Gas Chromatograph Method as defined by the American Gas Association. Gas samples for this procedure shall be collected daily on the Louisiana Tech side of the base metering station at the Tech Power Plant.

The composite of the daily gas samples for the monthly billing period shall be tested for BTU content by an independent testing laboratory and the test results shall be used for actual billing calculations. Copies of the test results shall accompany the monthly billings. Contractor shall bear all costs for these tests.

Measurement and measurement equipment shall meet all conditions and specifications as required by AGA Gas Measurement Report No. 3 with any subsequent amendments or revisions to which are mutually agreed to.

PAYMENT TERMS

For Delivered High Pressure Gas

In consideration of the services described above, per bid specifications University hereby agrees to pay to Contractor for locked-in volume for the period October 1 through September 30 based upon the locked-in gas from the NYMEX Henry Hub index **plus \$ _____** per locked-in MMBTU. No other fees, transaction cost or charges may be added to the cost of gas. For purchases for actual gas consumed beyond the monthly locked-in volume measured in MMBTU University hereby agrees to pay Contractor the first-of-the-month pricing as published in Platt's Inside FERC Gas Market Report for South Louisiana deliveries into Henry Hub **plus \$ _____** per MMBTU delivered. No other fees, transaction cost or charges may be added to the cost of gas. In the event this publication ceases to publish the above index for any given month or indefinitely, University and Contractor shall mutually agree upon a replacement index for natural gas pricing and amend this contract as necessary. Replacement index will be adjusted based upon a weighted two (2) year monthly comparison between original and replacement index.

Upon receipt of itemized invoice for gas consumed ordered, based on pricing from Henry Hub monthly index or Henry Hub Futures (NYMEX), the University will remit to Contractor in US funds in a manner agreed to by both parties. On or before the tenth (10th) Day of each

Month, Contractor shall render to University a statement and invoice setting forth the charges for the total MMBtu of gas nominated and delivered to University during the immediately preceding month. University shall pay the undisputed amounts invoiced on or before the twenty-fifth (25th) Day such month or 10 days after receipt of the invoice by Buyer by wire transfer, provided that if the payment date is not a Business Day, payment is due on the next Business Day following that date.” Amounts that Contractor may owe University under this Contract shall be invoiced and paid in accordance with the procedure established in this section. If during the term of this Contract, University has failed to make timely payment of undisputed amounts on more than one occasion, Contractor may require University to supply Contractor with credit information including, but not limited to, bank references, financial statements and names of persons with whom Contractor may make reasonable inquiry into University’s creditworthiness and obtain adequate assurance of University’s solvency and ability to perform.

TAXES

Contractor shall be responsible for all production, severance, excise, ad valorem, and other taxes imposed or levied by the state or other governmental agencies on gas sold hereunder prior to its delivery to University. University shall be responsible for all taxes applicable to the gas sold hereunder upon or after its delivery to University, including sales, gross receipts and similar taxes.

CONTRACT RENEWAL

Contract may be renewed by written letter of agreement signed by both parties for no more than two one-year periods.

TERMINATION

This Contract is subject to all valid laws, orders, rules and/or regulations of any and all duly constituted governmental authorities, Federal, State or local, to the extent such laws, regulations, and orders are applicable and effective from time to time; provided, however, that if any such governmental authority shall take any action or assert any jurisdiction whereby the sale, delivery, receipt, or use of gas as contemplated hereunder will be subjected to terms, conditions, or restraints that in the sole judgment of the Party affected are unduly burdensome or unacceptable, then such Party, within 30 days after learning of such action or assertion of jurisdiction, may cancel and terminate this Contract effective one day prior to the effective date

of such governmental action, unless that Party not affected by such action agrees to indemnify the affected Party fully from and against all incremental effects of such governmental action. In the event of such termination, the Parties agree that all gas received by University hereunder prior to cessation of deliveries shall be paid for by University including all unwinding costs for Nymex futures and related volumes pursuant to the terms of this Contract. The affected Party must give the Party not affected by such action thirty (30) days written notice.

REMEDIES FOR DEFAULT

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IS WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE IS SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

NEITHER PARTY SHALL BE OBLIGATED TO INDEMNIFY, DEFEND, OR HOLD THE OTHER PARTY HARMLESS TO THE EXTENT ANY LIABILITY SUIT, ACTION, DAMAGE, LOSS OR EXPENSE ARISES OUT OF OR IN CONNECTION WITH ANY INTENTIONAL ACT, NEGLIGENT ACT OR FAILURE TO ACT ON THE PART OF THE OTHER PARTY, ITS OFFICERS, AGENTS, OR EMPLOYEES.

ASSIGNMENT

The Contractor shall not assign any interest in this contract and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of the University, provided however, that claims for money due to or become due to the Contractor from the University may be assigned to a bank, trust company, or other financial institution without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the University.

AUDITORS

It is hereby agreed that the Legislative Auditor of the University and/or the Office of the Governor, Division of Administration auditors of Louisiana shall have the option of auditing all accounts of Contractor which relate to this contract. A party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the month of gas delivery. All retroactive adjustments shall be paid in full by the party owing payment within 30 Days of notice and substantiation of such inaccuracy.

TERM OF CONTRACT

This contract shall begin on October 1, 2010 and shall terminate on September 30, 2011. Pursuant to provisions in bid specifications, contract may be renewed upon mutual agreement for

two additional years. If contract is renewed, written confirmation of prices will be executed by both parties.

NOTICES

All notices required hereunder may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

Notice to University:

Louisiana Tech University
Keeney Hall Room 112
PO Box 3151
Ruston, LA 71272
Telephone: 318-258-2769
Fax: 318-257-4979

Invoices to University:

Louisiana Tech University
Keeney Hall Room 112
PO Box 3151
Ruston, LA 71272
Telephone: 318-258-2769
Fax: 318-257-4979

Notices to Contractor:

Payment to Contractor:

FORCE MAJEURE

Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of firm transportation and/or storage by transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Contractor and University shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary firm transportation unless primary, in-path, firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Contractor's ability to sell gas at a higher or more advantageous price than the Contract Price, University's ability to purchase gas at a lower or more

advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of University's market(s) or University's inability to use or resell gas purchased hereunder, except, in either case, as provided in previous paragraph; or (v) the loss or failure of Contractor's gas supply or depletion of reserves, except, in either case, as provided in previous paragraph. The party claiming Force Majeure shall not be excused from its responsibility for imbalance charges.

The party whose performance is prevented by Force Majeure must provide notice to the other party. Initial notice may be given orally; however, written notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

FINANCIAL RESPONSIBILITY

If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable to X, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

In the event (each an "Event of Default") either party (the "Defaulting Party") or its guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other

party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under this section within 48 hours but at least one Business Day of a written request by the other party; or (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in this section, in addition to any and all other remedies available hereunder.

If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by notice to the Defaulting Party, to designate a Day, no earlier than the Day such notice is given and no later than 20 Days after such notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Early Termination Damages of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law or that are, in the reasonable opinion of the Non-Defaulting Party, commercially impracticable to liquidate and terminate ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is reasonably practicable, and upon termination shall be a Terminated Transaction and be valued consistent with Early Termination Damages below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of the Early Termination Damages.

EARLY TERMINATION DAMAGES

As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each

Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the University under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Contractor if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this section, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

DISCRIMINATION CLAUSE

The Contractor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the

Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Contractor shall not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, political affiliation or disabilities in any matter relating to employment.

Any act of discrimination committed by Contractor, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this contract.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate originals as of the date first herein above written.

By: _____

LOUISIANA TECH UNIVERSITY:

By: _____
President

*****PLEASE DO NOT RETURN THIS PAGE*****

ITEMS BELOW APPLY TO AND BECOME A PART OF TERMS AND CONDITIONS OF QUOTATION
ANY EXCEPTIONS THERETO MUST BE IN WRITING

REQUIREMENTS AND INSTRUCTIONS

Bids signed in ink should be submitted on this form.

Prices are to be complete and the FOB point to be Louisiana Tech University unless otherwise specified.

Prices must be firm for at least 30 days from bid opening date.

Terms will be considered Net 30 unless otherwise specified.

Bids cannot be altered or amended after opening. Any alterations made before bid opening should be initialed by vendor.

Louisiana Tech University reserves the right to accept quotes after this date if it is determined to be in the best interest of the state.

If bidder takes no exception he will be required to furnish product as specified in the ITB. All items shall be new and in first class condition unless otherwise stated in ITB. Oral agreements will not be recognized.

REJECTION OF BIDS

Louisiana Tech University reserves the right to reject any or all bids and to waive all informalities.

AWARDS

Awards will be made to the lowest responsible and responsive bidder, taking into consideration the quality of the products to be supplied, their conformity with the specifications, the purpose for which they are required, and the time of delivery. Discounts for less than 30 days will not be considered for award purposes. Unless otherwise specified, the University reserves the right to award by individual items, related items, or total, whichever it deems in its best interest.

LOUISIANA PREFERENCE

A preference will be given to materials, supplies, and provisions produced, manufactured, grown, or harvested in Louisiana, quality being equal to articles offered by competitors outside the State. It will be the bidder's responsibility to indicate on his bid response which items qualify.

ACCEPTANCE

Only the issuance of a purchase order or a signed contract constitutes acceptance by the University.

TAXES

In accordance with Act 1029 of the 1991 Legislative regular session, Louisiana Tech and all other state agencies are exempt from state sales and use tax.

DELIVERY

Quote should show number of days required to place material in Central Receiving at Louisiana Tech. Failure to state delivery time obligates bidder to complete delivery in 14 calendar days. Default in promised delivery or failure to meet specifications may result in cancellation of order. The defaulting vendor may be responsible for any additional cost in reissuing the order (RS39:1661(c)). No substitutions or cancellations permitted without approval from Purchasing. Delivery should be made between 7:30am to 4:00pm week days. PURCHASE ORDER NUMBER MUST APPEAR ON ALL BOXES AND SHIPPING SLIPS. Goods may be returned if not identified.

INSPECTION AND ACCEPTANCE

Each item upon delivery will be inspected by Louisiana Tech. Acceptance will be made after inspection determines that all requirements of the specifications are met and the goods are in acceptable condition.

PAYMENT

Invoices for items shall be submitted in duplicate to the Comptroller's Office, Box 7924, Ruston, LA 71272. Items must be invoiced with quantity, unit, and price indicated on purchase order. PURCHASE ORDER NUMBER MUST APPEAR ON EACH INVOICE.

NOTE TO BIDDER: Any terms and conditions attached to a bid will not be considered unless the bidder specifically references them on the front of this bid form. The laws of the State of Louisiana must prevail on all bids.

Abstracts of bids are not furnished, but are kept on file in the Purchasing Office for inspection by any citizen.